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SIPDIS

DOL FOR BLS AND ILAB
TREASURY FOR IMI
STATE FOR DRL/IL

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SUBJECT: EU UNEMPLOYMENT AT 8.6 PERCENT

1. SUMMARY. The aggregate unemployment rate for the EU-25 recorded a marginal decrease to 8.6 percent in July 2005, according to data published by the EU Commission's Statistical Office (EUROSTAT) on September 1. The unemployment rate for the euro zone (the twelve EU countries participating in the euro) was at the same rate. END SUMMARY.

2. With seasonal adjustment and compensation for differences in national statistical methods, the EU-25 unemployment rate stood at 8.6 percent in July 2005, down from 8.7 percent in June and from 9.0 percent in July 2004. The unemployment rate for the euro zone also stood at 8.6 percent in July 2005, down from 8.7 percent in June 2005 and from 8.9 percent in July 2004.

3. The lowest rates among the EU-25 (July 2005 rates unless otherwise indicated) were recorded in Ireland (4.3 percent), the UK (4.7 percent, May 2005), Denmark (4.8 percent, June 2005), the Netherlands (4.8 percent) and Austria (5.1 percent). Poland (17.6 percent), Slovakia (15.2 percent), Greece (9.9 percent in March 2005), France (9.7 percent), Spain (9.4 percent) and Germany (9.3 percent) showed the highest rates among the EU-25.

4. EUROSTAT noted that fifteen countries among the EU-25 recorded a decrease in their unemployment rate over the past twelve months, seven increased and three showed stabilization. The most significant decreases (July-to-July comparison, unless otherwise indicated) occurred in Lithuania (from 11.1 percent to 7.8 percent), Estonia (from 9.2 percent to 7.6 percent), Slovakia (from 18.1 percent to 15.2 percent), Spain (from 10.9 percent to 9.4 percent) and Denmark (from 5.4 percent in June 2004 to 4.8 percent in June 2005). By contrast, the largest increases (July-to-July change) occurred in Luxembourg (from 4.8 percent to 5.4 percent), Hungary (from 5.8 percent to 6.4 percent), the Netherlands (from 4.5 percent to 4.8 percent) and Cyprus (from 5.0 percent to 5.3 percent).

5. Based on EUROSTAT estimates, male unemployment reached 7.8 percent in July 2005 for the EU-25 and 7.4 percent for the euro zone, respectively down by 0.2 percentage point and 0.1 percentage point when compared to July 2004. The female rate over the same period decreased from 10.2 percent to 9.7 percent for the EU-25 and from 10.6 percent to 10.1 percent for the euro zone.

6. Unemployment rates among young people under 25 (July 2005 estimates, unless otherwise noted) ranged from 7.0 percent in Denmark (June 2005), 7.9 percent in Ireland and 8.1 percent in the Netherlands to 35.3 percent in Poland and 25.2 percent in Slovakia. The rate for this age group in July 2005 was estimated at 17.7 percent for the EU-25 and 17.0 percent for the euro zone, compared to 18.5 percent (minus 0.8 percentage point) and 17.7 percent (minus 0.7 percentage point) respectively in July 2004.

7. EUROSTAT estimated that 18.7 million were unemployed in the EU-25 in July 2005 (12.5 million in the euro zone). Following is the breakdown of unemployment rates in ascending order for the individual EU Member States:

(Seasonally-adjusted)
(July 2005 unless otherwise indicated)

Ireland 4.3
UK 4.7 (May 2005)
Denmark 4.8 (June 2005)
Netherlands 4.8
Austria 5.1
Cyprus 5.3
Luxembourg 5.4
Slovenia 5.9
Sweden 6.3 (March 2005)

Hungary	6.4
Malta	6.5
Portugal	7.2
Estonia	7.6
Czech Republic	7.7
Italy	7.8 (March 2005)
Lithuania	7.8
Belgium	8.0
Finland	8.3
Latvia	8.8
Germany	9.3 (provisional)
Spain	9.4
France	9.7
Greece	9.9 (March 2005)
Slovakia	15.2
Poland	17.8

Euro zone 8.6
EU-25 8.6

	15.2	
Poland		17.8
Euro zone	8.6	
EU-25	8.6	

18. EUROSTAT separately published the following data for EU candidate countries:

Bulgaria	10.8	(June 2005)
Romania	4.8	(April 2005)
Croatia	N/A	
Turkey	N/A	

19. The monthly rates and numbers of unemployed are estimated and based on data from the annual EU labor force survey. The estimated rates may differ from national unemployment rates due to differences in methods and definitions of unemployment. Unemployed people according to ILO criteria are those aged 15 and over who:

--Are without work;

--Are available to start work within the next two weeks; and

--Have actively sought employment at some time during the previous four weeks.

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